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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Hungary/Rumania

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Anti-Semitism in Hungary and Rumania

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SUPPLEMENT

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EVALUATION OF CONTENT

1. The anxiety in Hungarian leftist quarters is indicated by certain secret security measures taken by the Communist and Socialist parties. There was already a rather well organized Communist militia, but recently it was decided to unify this militia with the Socialist militia under a single command. A Hungarian, Zöldhegyi, who took part in the French underground, was asked to reorganize and command the new unified security organization. At first, it was reported, he was willing to accept this offer, but meanwhile he has received news of the tension in Hungary and has yet to make up his mind whether or not to leave France.
2. One of the reasons for the tension is the growth of anti-semitism among not only the Hungarians but the Rumanians as well. Responsible quarters of the Hungarian and Rumanian Peace Delegations at Paris were deeply concerned over the British amendment concerning indemnity for stolen Jewish property. The Chief of the Hungarian Economic Delegation, László Faragó, who is a Jew himself and a member of long standing in the Social Democrat Party, is quite disturbed at the idea and stated that he will work to build up a case against the payment of indemnities. He declared that the British point of view was the only possible moral and legal stand to take, but he made the point that in Eastern Europe there is no legality or morality today. Faragó also thinks it would be impossible to trace the stolen property. As an economic expert, he stated, no Hungarian or Rumanian Jew with a sense of responsibility could wish for indemnity since the cost would have to come out of new taxes. It was unthinkable, he thought, that taxpayers should be so burdened in the interest of the Jews after having to support the Russian occupation army and pay reparations to the Allies. Faragó holds the view that payment of indemnities would cause either an economic collapse or a revolution, or both.

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